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Paraguay

Cotton and Products

Dry Weather in Paraguay Hurts Cotton Yields

2005

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Report Highlights:

Paraguayan cotton production for MY2004 is revised downwards as result of very dry, hot weather during February and March. Although losses of planted area are not expected, lower yields would bring down total production to 75,000 tons or lower. A smaller output is expected to force cotton exports down.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Buenos Aires [AR1]
[PA]

Total Paraguayan lint production for MY2004 (August 2004-July 2005) is estimated at 75,000 metric tons, down significantly from posts previous estimate. A very dry and hot summer affected yields negatively.

Although there is no official number for MY2004 planted area, most sources estimate that 240,000 hectares were finally planted (far lower than the 300,000 hectares projected initially) due to weak world prices. Heavy rains during the planting period (October-early November) forced many producers to replant fields outside of the ideal planting period. Cotton fields enjoyed excellent weather in December and January. However, since early February it has not rained (so far for more than 40 days). Moreover, in late February and early March, temperatures have been abnormally high.

Some sources believe that total output could even be somewhat lower. The conditions of cotton plantations vary significantly, making accurate estimations difficult. There are fields that will yield very poorly (400 kilos per hectare of raw cotton) while the best ones will be around 1 ton per hectare. Based on current conditions, average yields are estimated to range between 800-900 kilos per hectare (raw cotton). Due to the nature of cotton production in Paraguay, where it is mainly in hands of very small producers, we do not expect area losses. Practically all cotton will be picked (by hand), even in fields with very low yields.

By mid-March, almost 50 percent of the crop will be harvested and the entire crop will be in by late April.

A lower than expected output will reduce surpluses for export. From August 2004 through February 2005 shipments totaled roughly 30,000 tons, and some 45,000 tons of the new crop could be exported during March-July.

Domestic consumption for MY2004 is up at 7,000 tons, as result of good demand for the manufacturing of bags for the cotton harvest and textiles for export (to Argentina and Chile principally).

Ending stocks for MY2004 are expected to get smaller as the volume exported plus the domestic use will more than offset production.

PSD Table

Country Commodity	Paraguay Cotton					
	(HECTARES)(MT)					
Market Year Begin	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Estimate [08/2002	DA Official [Estimate [08/2003	DA Official [Estimate [08/2004
Area Planted	0	0	0	0	0	0
Area Harvested	170000	170000	270000	280000	250000	240000
Beginning Stocks	14805	14813	19595	25313	35925	31513
Production	59875	60000	108863	110000	95800	75000
Imports	0	0	0	0	0	0
MY Imp. from U.S.	0	0	0	0	0	0
TOTAL SUPPLY	74680	74813	128458	135313	131725	106513
Exports	51166	45500	87091	98300	87091	75000
USE Dom. Consumption	3919	4000	5443	5500	5443	7000
Loss Dom. Consumption	0	0	0	0	0	0
TOTAL Dom. Consumptic	3919	4000	5443	5500	5443	7000
Ending Stocks	19595	25313	35925	31513	39191	24513
TOTAL DISTRIBUTION	74680	74813	128459	135313	131725	106513